

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION**

2311 RACING LLC d/b/a 23XI RACING, and  
FRONT ROW MOTORSPORTS, INC.,

Plaintiffs,

v.

NATIONAL ASSOCIATION FOR STOCK  
CAR AUTO RACING, LLC and JAMES  
FRANCE

Defendants.

Civil Action No. 3:24-cv-886-KDB-SCR

**MOTION FOR A BOND**

NOW COMES Defendant NASCAR pursuant to Rule 65(c) of the Federal Rules of Civil Procedure and move this Court to require Plaintiffs 2311 Racing, LLC d/b/a 23XI Racing (“23XI”) and Front Row Motorsports, Inc., (“Front Row”) to post an injunction bond.

Rule 65(c) of the Federal Rules of Civil Procedure provides that a preliminary injunction may issue “only if the movant gives security in an amount that the court considers proper to pay the costs and damages sustained by any party found to have been wrongfully enjoined or restrained.” Fed. R. Civ. P. 65(c). “This rule is mandatory and unambiguous.” *Hoechst Diafoil Co. v. Nan Ya Plastics Corp.*, 174 F.3d 411, 421 (4th Cir. 1999) (citing *District 17, UMWA v. A & M Trucking, Inc.*, 991 F.2d 108, 110 (4th Cir. 1993)). In determining an appropriate amount of an injunction bond, the Court “should be guided by the purpose underlying Rule 65(c), which is to provide a mechanism for reimbursing an enjoined party for harm it suffers as a result of an improvidently issued injunction or restraining order.” *Norris v. City of Asheville*, No. 1:23-CV-

00103-MR-WCM, 2024 WL 1261206, at \*9 (W.D.N.C. Mar. 25, 2024) (cleaned up). “The amount of the bond ordinarily depends on the gravity of the potential harm to the enjoined party.” *Id.*

The Court’s injunction requires NASCAR to allow each Plaintiff to enter three race cars—including one to be purchased from Stewart-Haas Racing—“under the 2025 Charter Agreement terms applicable to all charter teams,” other than the release. (Doc. No. 74, pp. 19-20). Section 4 of “the 2025 Charter Agreement terms applicable to all charter teams” sets forth the “Payments and Distributions,” including “Pool Money,” which is “the amount to which the Team Owner is entitled to receive” under the Agreement in accordance with the terms set forth in Exhibit B to the Charter. (Doc. No. 21-5, p. 18). For the 2025 year, the Pool Money is approximately [REDACTED] per charter. (Doc. No. 21-5, p. 64 (Exhibit B to the Charter); *see also* Doc. No. 21-2, p. 12 (Front Row’s statement claiming for *two* cars, it would “lose nearly [REDACTED] million of revenue if we operate our ‘34’ and ‘38’ cars as ‘open’ teams;” Doc. No. 21-3, p. 11 (23XI’s statement claiming for *two* cars, it would “lose [REDACTED] million of revenue if we operate our ‘23’ and ‘45’ cars as ‘open’ teams”)). In other words, “under the 2025 Charter Agreement terms applicable to all charter teams,” Plaintiffs are entitled to receive millions of dollars from NASCAR for each Chartered car. If NASCAR prevails in this matter, it will be entitled to recover and be reimbursed for these payments and distributions made as a wrongfully enjoined party.

Accordingly, NASCAR respectfully requests the Court order each Plaintiff to post a bond in the amount of [REDACTED], although NASCAR submits that the bond for the transfer of the SHR Charters, which are signed agreements binding the parties for not just the 2025 Season but the next 7—possibly 14—years, should be substantially higher (i.e., 7-14 times higher).

Pursuant to Local Civil Rule 7.1(b), on December 19, counsel for the parties discussed Defendants’ Motion for Bond, and Plaintiffs indicate they do not consent to the Motion.

Dated: December 19, 2024.

Respectfully submitted,

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### **ARTIFICIAL INTELLIGENCE (AI) CERTIFICATION**

I hereby certify the following:

1. No artificial intelligence was employed in doing the research for the preparation of this document, with the exception of such artificial intelligence embedded in the standard on-line legal research sources Westlaw, Lexis, FastCase, and Bloomberg;

2. Every statement and every citation to an authority contained in this document has been checked by an attorney in this case and/or a paralegal working at his/her direction as to the accuracy of the proposition for which it is offered, and the citation to authority provided.

This the 19<sup>th</sup> day of December, 2024.

/s/ Christopher S. Yates

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing **MOTION FOR A BOND** was electronically filed using the Court's CM/ECF system, which will automatically send notice of filing to all parties of record as follows:

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This the 19<sup>th</sup> day of December, 2024.

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